

Open Report on behalf of Pete Moore, Executive Director Resources and Community Safety

Report to:	Audit Committee
Date:	30 January 2012
Subject:	Getting the most out of Internal Audit - The Assurance Map for the Council

Summary:

This Report provides the Committee with information on the assurance arrangements for the Council and how it makes the best use of its Internal Audit Resource.

Recommendation(s):

Note the content of this report and comment on the proposed assurance arrangements of the Council.

Approve the Risk and Internal Assurance Strategy for the Council.

Background

Getting the most out of your Internal Audit Service

- 1.1 This paper presents to the Committee our Risk and Internal Assurance Strategy. Our strategy aims to provide as complete a picture as possible of the Council's critical systems and the key risks it faces. It is designed to provide assurance on the Councils' business plan objectives and priorities.
- 1.2 At the heart of the strategy is our 'Assurance Map'. This helps focus our work plans on risks that matter – the make or break risks that affect the successful delivery of services and strategic objectives. It also recognises the importance of critical business systems that support successful delivery and also 'protect the business'.
- 1.3 Our aim is to align our work with other assurance functions, particularly performance and risk management and look at different ways of leveraging assurance to help us to maximise the best use of the Internal Audit resource and other assurance functions in the Council. The Map can be used to:

- § Help establish the Internal Annual Audit Plan by identifying where more independent assurance is required based on significance and risk of the activity.
- § Support the Head of Audit's annual audit opinion and the work of the Audit Committee (or equivalent).
- § Provide an overview of assurance to the Audit Committee and Senior Management which will help address any gaps in assurance based on the significance and risk of the activity.
- § Streamline and avoid duplication of effort where assurance can be drawn from a third party or other sources.

1.4 Attached in Appendix A is our Risk and Internal Audit Strategy. It shows information on:

- § Our vision
- § How we chose what to look at
- § Our service
- § Audit and Our approach
- § Regulatory background

1.5 The Committee is requested to approve the strategy, subject to any comments it may have.

2. Assurance Map

2.1 The assurance mapping exercise is still work in progress – however we have attached an example of the type of information that could be made available to Senior Management and the Committee when it's completed to illustrate the concept – See Appendix B.

2.2 It will show what assurances are present and identifies 'gaps' ie Provides a critical review or assessment that gives us a reasonable level of confidence on the activity's service delivery arrangements, management of risks, operation of controls and / or performance'.

2.3 The next phase is to 'validate' the data with the Section 151 Officer and the Directorate Management Teams.

2.4 We propose to present the completed Map to the Audit Committee at its March 2012 meeting together with our Annual Internal Audit Plan.

Conclusion

3.1 One of the Committees key roles is to ensure that effective Internal Audit and assurance arrangements are in place. The Risk and Assurance Strategy aims to demonstrate how the Council gets the most out of its Risk and Internal Audit Service, whilst leveraging other assurance functions in the Council.

Consultation

a) Policy Proofing Actions Required

Strategy consulted and approved by the Management Board - 21st December 2012.

Appendices

These are listed below and attached at the back of the report	
Appendix A	Risk and Internal Assurance Strategy
Appendix B	Example of an assurance map

Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.